

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of  
Southern California Gas Company to  
Establish Regulatory Authority Over the Access  
for Natural Gas Provided by California Gas  
Producers.

Application 04-08-018  
(Filed August 16, 2004)

**SCOPING MEMO AND RULING OF THE ASSIGNED COMMISSIONER  
AND ADMINISTRATIVE LAW JUDGE**

**Summary**

This scoping memo and ruling addresses the scope of issues to be addressed in this proceeding, and the procedural schedule for resolving the issues in this application. Evidentiary hearings will begin on December 8, 2005, at 9:00 a.m., Commission Courtroom, State Office Building 505 Van Ness Avenue, San Francisco, and shall continue each weekday thereafter through December 14, 2005.

**Background**

Southern California Gas Company (SoCalGas) filed the above-captioned application on August 16, 2004. SoCalGas' application requests that the Commission approve and establish the terms and conditions under which California's natural gas producers will be granted access to SoCalGas' transmission system. SoCalGas and the California gas producers have in the past entered into dozens of separate access agreements regarding California gas and SoCalGas' system. According to SoCalGas, these access agreements have

differed from SoCalGas' interconnection and operational balancing agreements (IOBA) with interstate gas suppliers, especially with respect to the imbalance and cash-out provisions. SoCalGas' application proposes "to replace all California Access Agreements with a standard IOBA that would treat California producers and all other suppliers to the utility alike in terms of access to the SoCalGas system." (Application, p. 3.)

Individual protests to the application were filed by ExxonMobil Gas & Power Marketing Company (ExxonMobil), the Office of Ratepayer Advocates, and the Southern California Generation Coalition. A joint protest was filed by the Indicated Producers, California Independent Petroleum Association, and Western States Petroleum Association (joint parties). SoCalGas filed a response to the protests.

After the filing of the application, the joint parties and SoCalGas began discussions about possibly resolving some or all of the issues in this proceeding. These discussions have not yet resulted in any settlement or stipulation.

In the June 27, 2005 ruling of the assigned administrative law judge (ALJ), a prehearing conference was noticed for August 17, 2005 to discuss the scope of issues, the status of the negotiations, and a procedural schedule for resolving the application.

### **Scope of Issues**

At the prehearing conference, a preliminary scope of issues was identified. The parties were provided an opportunity to discuss whether other issues should be added to the scope of issues to be addressed in this proceeding. No additional issues were identified, but parties did seek clarification about whether the details of ExxonMobil's existing access rights with SoCalGas should be explored in Application (A.) 04-01-034 or in this proceeding. As a result of the comments at

the prehearing conference regarding ExxonMobil's access rights, that issue has been refined as set forth below.

The following are the issues that will be addressed in this proceeding:

- What should be the terms and conditions of access to SoCalGas' transmission system for California natural gas producers?
- Should the Commission approve the standard access agreement that SoCalGas has proposed in its application?
- Should all of the existing California access agreements with SoCalGas be replaced with a standard access agreement as they expire or are terminated under their existing terms?
- Should the standard access agreement replace ExxonMobil's existing agreement with SoCalGas regarding supplies of gas from Pacific Offshore Pipeline Company (POPCO) entering SoCalGasGas' system?<sup>1</sup>

As indicated in the June 27, 2005 ruling, and as discussed at the prehearing conference, the parties have been meeting to discuss whether some or all of the issues can be resolved without hearings. At this point, the parties believe that hearings on some issues may be needed. For that reason, we have scheduled evidentiary hearings as set forth in the next section.

### **Schedule**

Evidentiary hearings on some or all of the issues identified above may be needed. The evidentiary hearings will begin on December 8, 2005, at 9:00 a.m., at

---

<sup>1</sup> The issue of whether hearings are needed to explore the details of ExxonMobil's POPCO arrangement with SoCalGas is an issue that should be taken up in A.04-01-034, and not in this proceeding.

the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, and continue each weekday thereafter through December 14, 2005.

SoCalGas' application was filed on August 16, 2004. Public Utilities Code Section 1701.5 provides that in a ratesetting proceeding, the issues raised in the scoping memo are to be resolved within 18 months of the date the scoping memo is issued. It is expected that this proceeding will be completed within the 18-month period as shown in the schedule below.

The following schedule shall be followed to resolve the issues in this proceeding.

<b>Event</b>	<b>Date</b>
Scoping memo and ruling issued	August 30, 2005
Prepared testimony by all other parties to be served	November 10, 2005
Prepared rebuttal testimony by all parties to be served	December 1, 2005
Evidentiary hearings	December 8-9, 12-13 and 14, 2005 in San Francisco. Start time at 9:00 a.m. on December 8, 2005
Opening briefs due	January 20, 2006 (tentative)
Reply briefs due and submission of issues	February 3, 2006 (tentative)
Proposed decision issued	May 1, 2006 (tentative)
Comments of proposed decision	20 days from mailing of proposed decision
Reply comments on proposed decision	25 days from mailing of proposed decision
Commission decision	June 1, 2006 (tentative)

In accordance with Rule 8 of the Commission's Rules of Practice and Procedure, any party requesting final oral argument before the Commission shall make such a request on or before the first day of evidentiary hearings.

## **Discovery**

If discovery disputes arise between the parties, which cannot be resolved by meeting and conferring, the parties should raise these disputes in accordance with Resolution ALJ-164.

## **Service List**

Attachment A of this ruling contains the new service list that shall be used for this proceeding. This service list may be updated from time to time. The latest version of the service list can be downloaded from the Commission's web site at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

The new electronic service rules shall apply to this proceeding.<sup>2</sup> Anyone serving documents in this proceeding shall follow Rules 2.3 and 2.3.1. Any documents served on the assigned ALJ and the assigned Commissioner's office shall be by both e-mail and by delivery or mailing of a copy of the document.

## **Categorization of Proceeding**

This application was preliminarily categorized as ratesetting in Resolution ALJ-176-3138 on September 2, 2004. Today's ruling confirms that categorization. Anyone who disagrees with this categorization must file an appeal of the categorization no later than ten days after the date of this ruling. (See Rule 6.4.)

Since this ruling determines that this is a ratesetting proceeding and evidentiary hearings will be held, ex parte communications are governed by Rules 7 and 7.1.

---

<sup>2</sup> Those on the service list who do not have an e-mail address shall be served by mail or another method of delivery.

The principal hearing officer for this proceeding shall be ALJ John S. Wong.

Therefore, **IT IS RULED** that:

1. The scope of issues for this proceeding, and the schedule for resolving these issues, are set forth in the body of this scoping memo and ruling.
  - a. Prepared intervenor testimony by all other parties, and prepared rebuttal testimony by all parties, shall be served on November 10, 2005 and December 1, 2005, respectively.
  - b. Evidentiary hearings shall begin on December 8, 2005, at 9:00 a.m., at the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, and shall continue each weekday thereafter through December 14, 2005.
2. This proceeding is categorized as ratesetting.
3. Discovery disputes shall use the procedures set forth in Resolution ALJ-164.
4. Attachment A of this scoping memo and ruling shall serve as the service list for this proceeding, which may be updated from time to time.

Dated August 30, 2005, at San Francisco, California.

/s/ GEOFFREY F. BROWN

---

Geoffrey F. Brown  
Assigned Commissioner

/s/ JOHN S. WONG

---

John S. Wong  
Administrative Law Judge

## ATTACHMENT A Service List

\*\*\*\*\* APPEARANCES \*\*\*\*\*

Elizabeth Westby  
ALCANTAR & KAHL, LLP  
1300 SW FIFTH AVENUE, SUITE 1750  
PORTLAND OR 97201  
(503) 402-8709  
egw@a-klaw.com  
For: California Gas Monitoring Group

Evelyn Kahl  
Attorney At Law  
ALCANTAR & KAHL, LLP  
120 MONTGOMERY STREET, SUITE 2200  
SAN FRANCISCO CA 94104  
(415) 421-4143  
ek@a-klaw.com  
For: Indicated Producers, Western States Petroleum Association

Edward G. Poole  
Attorney At Law  
ANDERSON & POOLE  
601 CALIFORNIA STREET, SUITE 1300  
SAN FRANCISCO CA 94108-2818  
(415) 956-6413  
epoole@adplaw.com  
For: California Independent Petroleum Assoc.

Douglas W. Rasch  
Attorney At Law  
EXXON MOBIL CORPORATION  
800 BELL STREET, RM. 3497-O  
HOUSTON TX 77002  
(713) 656-4418  
douglas.w.rasch@exxonmobil.com  
For: Exxon Mobil Corporation

Patrick L. Gileau  
Legal Division  
770 L STREET, SUITE 1050  
Sacramento CA 95814  
(916) 324-8685  
plg@cpuc.ca.gov  
For: OFFICE OF RATEPAYER ADVOCATES

Norman A. Pedersen  
Attorney At Law  
HANNA AND MORTON LLP  
444 SOUTH FLOWER STREET, SUITE 1500  
LOS ANGELES CA 90071-2916  
(213) 430-2510  
npedersen@hanmor.com

John W. Leslie  
Attorney At Law  
LUCE, FORWARD, HAMILTON & SCRIPPS, LLP  
11988 EL CAMINO REAL, SUITE 200  
SAN DIEGO CA 92130  
(858) 720-6352  
jleslie@luce.com  
For: Exxon Mobil Corporation

Jonathan D. Pendleton  
Attorney At Law  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET  
SAN FRANCISCO CA 94105  
(415) 973-2916  
jlpc@pge.com  
For: Pacific Gas and Electric Company

Marion Peleo  
Legal Division  
RM. 4107  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-2130  
map@cpuc.ca.gov  
For: ORA

Bill Tobin  
STEVE NELSON, CARLOS PENA  
SEMPRA GLOBAL  
101 ASH STREET, HQ08C  
SAN DIEGO CA 92101  
(619) 696-4868  
wtobin@sempraglobal.com  
For: Sempra Global

Steven D. Patrick  
Attorney At Law  
SOUTHERN CALIFORNIA GAS  
555 WEST 5TH STREET, SUITE 1400  
LOS ANGELES CA 90013  
(213) 244-2954  
spatrick@sempra.com  
For: Southern California Gas

\*\*\*\*\* STATE EMPLOYEE \*\*\*\*\*

Dave Maul  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET, MS-48  
SACRAMENTO CA 95814  
(916) 654-3941

For: SOUTHERN CALIFORNIA GENERATION COALITION

Dmaul@energy.state.ca.us

Jennifer Tachera  
Attorney At Law  
CALIFORNIA ENERGY COMMISSION  
1516 - 9TH STREET MS-14  
SACRAMENTO CA 95814  
(916) 654-3870  
jtachera@energy.state.ca.us

Monica Schwebs  
Attorney At Law  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET, MS-14  
SACRAMENTO CA 95814  
(916) 654-5207  
mschwebs@energy.state.ca.us

Los Angeles Docket Office  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
320 W. 4TH STREET, SUITE 500  
LOS ANGELES CA 90013  
LAdocket@cpuc.ca.gov

David R Effross  
Energy Division  
AREA 4-A  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-1567  
dre@cpuc.ca.gov

Jacqueline Greig  
Office of Ratepayer Advocates  
RM. 4102  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-1079  
jnm@cpuc.ca.gov  
For: ORA

Martin Homec  
Office of Ratepayer Advocates  
RM. 4205  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-1213  
mxh@cpuc.ca.gov

James Loewen  
Energy Division  
320 WEST 4TH STREET SUITE 500  
Los Angeles CA 90013  
(213) 620-6341  
loe@cpuc.ca.gov

Wendy M Phelps  
Energy Division  
AREA 4-A  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-2311  
wmp@cpuc.ca.gov

John S. Wong  
Administrative Law Judge Division  
RM. 5019  
505 VAN NESS AVE  
San Francisco CA 94102  
(415) 703-3130  
jsw@cpuc.ca.gov

\*\*\*\*\* INFORMATION ONLY \*\*\*\*\*

Karen Terranova  
ALCANTAR & KAHL, LLP  
120 MONTGOMERY STREET, STE 2200  
SAN FRANCISCO CA 94104  
(415) 421-4143  
filings@a-klaw.com

Bruno Jeider  
BURBANK WATER AND POWER  
164 WEST MAGNOLIA BOULEVARD  
BURBANK CA 91502  
(818) 238-3700  
bjeider@ci.burbank.ca.us

John Martini  
CA INDEPENDENT PETROLEUM ASSOCIATION  
1112 I STREET  
SACRAMENTO CA 95814  
(916) 447-1177  
jmartini@cipa.org

Steven G. Lins  
CITY OF GLENDALE  
OFFICE OF THE CITY ATTORNEY  
613 EAST BROADWAY, SUITE 220  
GLENDALE CA 91206-4394  
(818) 548-3397  
slins@ci.glendale.ca.us

Orlando B. Foote  
HORTON, KNOX, CARTER & FOOTE  
895 BROADWAY STREET  
EL CENTRO CA 92243-2341  
(760) 352-2821  
ofoote@hkcf-law.com



Elston K. Grubaugh  
IMPERIAL IRRIGATION DISTRICT  
333 EAST BARIONI BLVD.  
IMPERIAL CA 92251  
(760) 339-9224  
ekgrubaugh@iid.com

Robert L. Pettinato  
LOS ANGELES DEPARTMENT OF POWER & WATER  
NATURAL GAS GROUP  
111 NORTH HOPE STREET, ROOM 1151  
LOS ANGELES CA 90012-0100  
(213) 367-1735  
robert.pettinato@ladwp.com

MRW & ASSOCIATES, INC.  
1999 HARRISON STREET, SUITE 1440  
OAKLAND CA 94612  
(510) 834-1999  
mrw@mrwassoc.com

Darcy Morrison  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET, MAILCODE B9A  
SAN FRANCISCO CA 94105  
(415) 973-5813  
d2mr@pge.com

Kenneth J. Brennan  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET, MAILCODE B9A  
SAN FRANCISCO CA 94105  
(415) 973-0017  
kjbh@pge.com

Steve Endo  
PASADENA DEPARTMENT OF WATER & POWER  
45 EAST GLENARM STREET  
PASADENA CA 91105  
(626) 744-6246  
sendo@ci.pasadena.ca.us

Gary Hinners  
RELIANT ENERGY, INC.  
PO BOX 148  
HOUSTON TX 77001-0148  
(713) 497-4321  
ghinners@reliant.com

Gregory Healy  
SAN DIEGO GAS & ELECTRIC COMPANY  
555 WEST FIFTH STREET, GT14D6  
LOS ANGELES CA 90013  
(213) 244-3314  
ghealy@semprautilities.com

Martin Kay  
Program Supervisor  
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
21865 COPLEY DR.  
DIAMOND BAR CA 91765-3252  
(909) 396-3115  
mkay@aqmd.gov

Michael S. Alexander  
SOUTHERN CALIFORNIA EDISON  
2244 WALNUT GROVE  
ROSEMEAD CA 91770  
(626) 302-2029  
Michael.Alexander@sce.com

Bruce Foster  
Vice President  
SOUTHERN CALIFORNIA EDISON COMPANY  
601 VAN NESS AVENUE, STE. 2040  
SAN FRANCISCO CA 94102  
(415) 775-1856  
bruce.foster@sce.com

Gloria M. Ing  
Attorney At Law  
SOUTHERN CALIFORNIA EDISON COMPANY  
2244 WALNUT GROVE AVENUE  
ROSEMEAD CA 91770  
(626) 302-1999  
gloria.ing@sce.com

Central Files  
SOUTHERN CALIFORNIA GAS COMPANY  
555 WEST FIFTH STREET - GT14D6  
LOS ANGELES CA 90013  
centralfiles@semprautilities.com  
For: SOUTHERN CALIFORNIA GAS COMPANY

Marcel Hawiger  
Attorney At Law  
THE UTILITY REFORM NETWORK  
711 VAN NESS AVENUE, SUITE 350  
SAN FRANCISCO CA 94102  
(415) 929-8876

marcel@turn.org

Cathy Reheis-Boyd  
Chief Operating Officer  
WESTERN STATES PETROLEUM ASSOCIATION  
1415 L STREET, SUITE 600  
SACRAMENTO CA 95814  
(916) 444-9981  
creheis@wspe.org

Roger Pelote  
WILLIAMS POWER COMPANY, INC.  
12736 CALIFA STREET  
VALLEY VILLAGE CA 91607  
(818) 761-5954  
roger.pelote@williams.com

**(END OF ATTACHMENT A)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge on all parties of record in this proceeding or their attorneys of record.

Dated August 30, 2005, at San Francisco, California.

/s/ FANNIE SID

---

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\*\*\*\*\*

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

A.04-08-018 GFB/JSW/sid

TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.